

# PRESTON & WINGHAM PRIMARY SCHOOLS FEDERATION

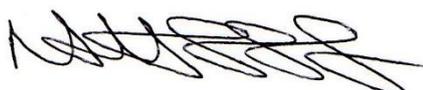
## FINANCE POLICY

### APPROVAL & ADOPTION

This policy was formally agreed and adopted by the Governing Body on:

\_\_\_12 October 2015\_\_\_\_\_

**Chair of Governors**

Signed:  \_\_\_\_\_

### UPDATE SCHEDULE

Version	Date	Reason for Update
1	December 2014	Existing policies of both schools reviewed as part of Federation review process.
2	October 2015	Policy reviewed to reflect changes to Governor Terms of Reference.

## 1. Introduction

The Governors of The Preston & Wingham Primary Schools Federation are committed to providing sound financial controls, to achieving value for money and to being worthy custodians of public money. To achieve these aims the Executive Headteacher and the Governing Body have drawn up this Finance Policy to provide the guiding principles for which all Governors and staff will operate within.

This Policy has been drawn up in accordance with the Local Authority's (LA) Scheme for Financing Schools.

## 2. Principles

The Preston & Wingham Primary Schools Federation's Finance Policy will adhere to the following principles;

- The responsibilities of the Governing Body, its committees, the Executive Headteacher and staff will be clearly defined and limits of delegated authority established, where applicable.

The **Governing Body** is responsible for taking steps to ensure that expenditure reflects best value principles. This is done by;

- Using both performance data and financial benchmarking to **compare** to schools locally and nationally.
- Using the information gained to **challenge** performance and set new targets
- Using fair **competition** through quotations and tenders, ensuring resources and contracts for services are secured in the most economic, efficient and effective way

The federation will establish sound internal financial controls, based on the LA's financial controls to ensure the reliability and accuracy of its financial transactions.

The budget for each school will reflect its prioritised educational objectives through its links to the School Development Plan, which indicates the resource implications of each priority.

The budget will be subject to effective monitoring, allowing the Governors, Executive Headteacher and staff to maintain financial control in line with the Balance Control Mechanism by reviewing the current position and taking any remedial action necessary.

The schools will be adequately insured against exposure to risk.

The Federation will ensure that:

- The Budget Share is spent for the purpose of each school only.
- Purchasing arrangements achieve value for money
- There are sound procedures for the administration of personnel matters
- There are sound procedures for the administration of payroll matters
- Stocks, stores and assets are recorded and adequately safeguarded against loss or theft
- All income due is identified and all collections receipted, recorded and banked promptly
- The operation of the bank account and the reconciliation of bank balances with the accounting records are properly controlled
- The use of petty cash is strictly controlled
- The use of the Corporate Cards is strictly controlled
- The schools Voluntary Funds and any other non-public funds are administered as rigorously as public funds
- Any suspected irregularity will be reported immediately to the LA's Head of Internal Audit
- The federation will adhere to current Data Protection legislation
- Appropriate training in financial administration will be given to enable staff cover at all times

### **3. Putting Policy into Practice**

#### **3.1 Delegated Authority**

The Full **Governing Body** of The Preston & Wingham Primary Schools Federation has overall responsibility for the management of all of the schools' finances covering the revenue budget, other budgets delegated or devolved by the LA and other funds (e.g. the School Voluntary Fund).

The Full Governing Body of The Preston & Wingham Primary Schools Federation will ensure the annual detailed report of the Schools Financial Value Standard (SFVS) is provided to them and the chair of governors will sign the completed form prior to sending a copy to the LA.

The Governing Body of The Preston & Wingham Primary Schools Federation works as a 'whole team' within the Circle Model. The governing body will 'commission' assignments or activities arising from the business of the meeting, which will be recorded in the minutes. In addition to 'commissioning' activities or actions on their behalf, the governing body may wish to delegate monitoring activities to 'monitoring pairs' or 'individuals'. This could apply to statutory functions, and/or the priorities of the School Plan. In each case where a function has been delegated there is a statutory duty to report any action or decision to the governing body at the next meeting.

The following aspects of financial management may be delegated by the Full Governing Body to 'monitoring pairs';

- Evaluate and recommend the three year budget plan for each school, which shows clear links to the School Improvement Plan, for approval by the Full Governing Body
- To review the Finance Policy and agree levels of delegation for approval by the Full Governing Body
- To review the Charges and Remissions Policy for approval by the Full Governing Body
- To review a Pay Policy for approval by the Full Governing Body
- To make decisions in respect of service agreements and insurance
- To advise the Full Governing Body of any consultations to change the LA Scheme for Financing Schools, to allow the federation to respond to any consultation
- To report monitoring and the outturn position to the Full Governing Body, highlighting any significant variances
- Evaluate any proposed virements
- Evaluate and report on Tenders for Contract Services to the Full Governing Body
- Keeping in-school financial procedures under review
- Benchmark each school's financial performance and report to the Full Governing Body

The Executive Headteacher is responsible for implementing the decisions of the Governing Body and for the operational management of the federation. The general administration of financial procedures is delegated to the bursar and each Head of School and, in respect of the voluntary fund, to the school secretaries.

### **3.2 Internal Financial Controls**

The internal financial controls operated by The Preston & Wingham Primary Schools Federation follow the financial controls set out in the LA's Scheme for Financing Schools.

### **3.3 Financial Links to the School Improvement Plan**

The School Improvement Plan has sufficient scope and depth of the financial implications and it is reflected in each school's three year budget plan.

### **3.4 Monitoring and Virements**

The Preston & Wingham Primary Schools Federation recognises that the regular monitoring of income and expenditure against the agreed budget of each school is central to effective financial management. To this end, the Executive Headteacher carries out a monthly internal monitoring procedure, copied to the Vice-Chair of Governors. A monitoring report for each school is taken to all meetings of the Full Governing Body. Monitoring reports are submitted to the LA in accordance with its timetable. Governors should ensure their meetings are timed to see all monitoring submitted to the LA either prior to submission or soon after. This will ensure they have an up-to-date position of the school's finances.

On occasions, virements need to be carried out. Virements to the approved budget are minuted appropriately and require the following authorisation:

Virements up to £8,000 - The Executive Headteacher, reported to the Chair and Vice-Chair of Governors

Virements up to £15000 – The Chair and Vice-Chair of Governors

Virements over £15,000 – The Full Governing Body

### **3.5 Insurance**

Both Preston Primary School and Wingham Primary School are insured through **the Kent County Council (KCC) 'Safe Hands' Scheme** with relevant cover, as identified by the schedule received from the LA's Insurance section.

The Federation of Preston & Wingham Primary Schools does not purchase Money Cover through the Safe Hands scheme and therefore recognises that cash is not insured.

### **3.6 Purchasing**

Specific budgets will be delegated to the Heads of School and on occasions to subject/project leaders. Budget holders prepare a 'needs budget' for their area of responsibility, which is approved by the Executive Headteacher in line with the priority needs of the school and the School Development Plan.

All staff adhere to the school procedures for purchasing items, as laid down in the Federation's Staff Handbook, paying regard to value for money at all times. The Executive Headteacher or Head of School authorises all orders and invoices prior to payment.

Where the school purchases large items, we adhere to the procedure for Spending the Council's Money as laid down in the Scheme for Financing Schools ([www.kent.gov.uk/publications/business/spending-councils-money.htm](http://www.kent.gov.uk/publications/business/spending-councils-money.htm)), in summary:

- For orders in excess of £8,000, but less than £50,000, three written quotations are obtained and submitted for approval to the Full Governing Body
- For orders of £50,000 or over, no fewer than three competitive tenders are sought and submitted to the Full Governing Body for approval

All of the above will be minuted at the appropriate Governing Body meeting to ensure that the federation is seen to be obtaining value for money at all times.

**The Federation does not enter into any Hire Purchase agreements, Finance agreements or Finance Leases as this constitutes borrowing which is not permitted.**

### **3.7 Personnel Matters**

At the start of every financial year the Executive Headteacher and Bursar use the three year salary calculator provided on KELSI to calculate the salary costs of all members of staff, including increments, where applicable. These details are used by the governors for incorporation into the school budget planning process.

The Executive Headteacher Appraisal Team undertakes an annual review of the Executive Headteacher's salary, and recommends enhancements, if applicable, to the Full Governing Body for approval.

The Executive Headteacher undertakes an annual review of all other staff, in accordance with the Governors' Pay and Reward Policy and reports to the Full Governing Body.

Details of all salaries are recorded as a confidential item in the minutes.

### **3.8 Payroll Matters**

The payroll provider at Preston Primary School and at Wingham Primary School is Capita Business Services Ltd who provides payroll services to the specification laid down by the LA. The Executive Headteacher signs off the monthly payroll reports once they have been checked for accuracy by the bursar.

### **3.9 Safeguard of Stocks, Stores and Assets**

All staff at both schools are responsible for the security of school assets. Leaders and class teachers safeguard their assets and maintain asset registers, which are checked at least on an annual basis and certified by the Head of School. Other school assets are recorded on a general asset register, maintained and updated by the school office.

Items of value are held in a locked cupboard/cabinet, wherever possible and all items are visibly security marked to deter theft.

Where assets are written off and disposed of, the Full Governing Body agrees this and the agreement is minuted.

Where school assets are loaned to staff or pupils, a loans book is completed and signed when borrowing the item and again when the item is returned.

### **3.10 Income**

The Federation's Lettings Policy is reviewed and approved by the Governing Body.

Where debts are required to be written off, after every effort has been made by the Executive Headteacher and Governors to recoup the monies, the Full Governing Body will approve up to £1,000. Approval to write off debts over £1,000 is required in writing from the Schools Financial Services Manager.

Since the LA does not insure for cash held on school premises, we have agreed a level of cash to be held in each school at any one time as £200. Cash will be receipted, recorded and banked promptly at all times.

### **3.11 The School Bank Account**

Preston Primary School and Wingham Primary School operates their school bank accounts in accordance with the regulations in the LA's Scheme for Financing Schools. Each school operates only one current account for the administration of KCC official funds.

Bank account signatories are updated immediately there is a change in staffing and details are copied to the Schools Financial Services, as a matter of course.

Bank statements at both Preston Primary School and Wingham Primary School are received on a monthly basis and reconciled immediately. The Executive Headteacher signs and dates the bank statement when the reconciliation has been checked.

### **3.12 Petty Cash**

Petty Cash is held securely at all times and the limit for petty cash is £25. At both Preston Primary School and Wingham Primary School, petty cash transactions are kept to a minimum and the maximum value of any one transaction is £25. All staff obtain proper VAT receipts for petty cash purchases, wherever possible, as this

demonstrates value for money in respect of the school budget and satisfies legislative requirements.

### **3.13 Corporate Cards**

Both Preston Primary School and Wingham Primary School operate an approved Corporate Card in accordance with the guidance in the LA's guidance. The approved user is the Executive Headteacher. The limit of purchase is £5000. Personal credit / Debit cards will not be used for the purchase of items for the school.

### **3.14 The Voluntary Fund**

In addition to the LA's official funds, Preston Primary School and Wingham Primary School each operate a school Voluntary Fund, adopting the procedures in the LA's School Voluntary Fund Guidance. We recognise that the Voluntary Fund is an additional source of income and that the controls over its use need to be as rigorous as for the administration of the school's delegated budget. We have appointed someone who is independent of the schools to audit the Voluntary Fund accounts on an annual basis. All monies for the Voluntary Fund are held securely and separately from those of the school budget.

### **3.15 Irregularities**

All staff at the federation are aware of the LA's Whistleblowing arrangements and to whom they should report concerns. These details are available to staff in the school's whistleblowing policy and in their staff handbook.

### **3.16 Data Protection**

Under the terms of the Data Protection Act 1998, the Executive Headteacher and Governing Body are required to notify the Information Commissioner of our processing, storage and disclosure of data procedures, which are covered by this legislation. To this end, we have a password protection procedure, laid down in the staff handbook. Systems are backed up regularly and the backups held securely, virus protection is in place and is updated regularly and the school has a disaster recovery plan for the administration network.

### **3.17 Financial Administration**

At The Federation of Preston & Wingham Primary Schools, the bursar is trained in the use of the finance software and financial administration procedures. The school secretaries have sufficient skill and understanding to cover for the bursar in the event of staff absence. However, should the bursar be absent for an extended period of time, the federation would enter into a monthly contract with the Local Authority. We also purchase a support contract through the Schools Financial Services which is reviewed on an annual basis, allowing us the option to purchase additional support, if required.

